



Fairbanks North Star Borough

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Mr. Dan Bockhorst
 State of Alaska

Department of Community and Regional Affairs

Local Boundary Commission

333 W. 4th Ave., Ste 220

Anchorage, AK. 99501-2341

Local Boundary Commission
 MRAD

RE: Fairbanks North Star Borough-City of Fairbanks Proposed Consolidation

I am opposed to this consolidation, on the following grounds:

1. The petitioners estimate a savings of \$2,000,000 or more, when in fact there will be increased costs, to government and to the governed, in excess of \$2,000,000 per year.
2. Consolidation results in both of the following:
 - a. Expansion of a city to more than 7,000 square miles, or more than 4,755,200 acres. This is an ungovernable size for a city.
 - b. Death of a sovereign city that has existed since 1903.
3. The borough will inherit all of the debts of the city. These debts include both owed sums, and also benign-neglect costs such as can be found in the condition of City Records. The borough can then either maintain a two-tier status (borough good city poor), or at considerable expense and effort over several years, bring the City up to the condition of the borough. While these are one-time costs spread over several years, they are in addition to my estimate of ongoing budget increased costs.

Conversely, city residents inherit all of the debts of the current non-areawide portion of the borough, both bonded and otherwise.

In both cases the source of the debt and its advantage(s) do not Accrue to the new participants.

4. The City pays an extremely high rate for Employer contributions to PERS. This rate is scheduled to rise each year by the legal maximum, while the city struggles to pay a major indebtedness. This rate will effectively be inherited by the borough, and become applied to all local government employees, not just to City employees. This is an additional, long-term increase in costs for residents of the borough living outside the City of Fairbanks.
5. A Service Area (SA) is a straightforward affair which is manageable by a handful of commissioners, hiring a firm to perform work, and by virtue of driving on that road, reviewing the quality of that work; or, working with a board of directors and a fire chief, handling only the issues of property taxes, for recommendation to the Assembly. FNSB has a single, complex SA which handles roads, sewer, lights and fire. But even here, direct supervision of employees is not a required function of the commissioners; this SA has no employees.

What is being proposed for the City of Fairbanks is a highly complex SA which would include police, fire, roads, building permits, lights, signage (road) all of which involve the supervision of employees. AN SA commission cannot, realistically, handle these. There has to be a staff line of authority, originating in the office of the Mayor on down to the department heads of these SA elements – police, fire, etc. It is an impossible condition wherein the SA Commission issues policy and authorizes budget recommendations, but the Mayor in his constitutional authority also authorizes budget recommendations, which may be contrary to those of the SA Commission.

Creating several service areas (one for police, one for fire, etc.) makes the issues of the commission easier to complete on a volunteer basis, but does not alter the complexity and probable impossibility of the Commission-Mayoral dual roles of authority.

Ultimately, the commission(s) will lose authority to the Mayor and the overall operation as a service area will become effectively eroded until functionally, it is simply another department of the borough, receiving public advice. I would liken this to the operations of the Division of Animal Control, which has a commission that handles certain kinds of animal cases, and otherwise offers advice to the division and the Mayor and Assembly, but which effectively has ZERO voice in the operations of the Division of Animal Control.

6. The revenue of the City includes Municipal Revenue Sharing funds from the State, as do the revenues of the borough. After consolidation, there would be a single revenue stream of Municipal Revenue Sharing coming to the borough.

Currently the City uses these funds to fund their various services. As a consolidated borough, the borough could not take revenues intended for and calculated on the basis of the entire borough, and give a portion exclusively to a single service area.

Thus, the revenues available for City of Fairbanks police, fire, roads, building inspections/permits, etc., would be significantly affected. This could only be resolved by higher taxes or fees imposed upon City property owners and/or residents.

It would be illegal for the borough to take revenues from other sources, non-city boundary sources, and provide them for/to a service area.

7. The City has a permanent fund, stemming from the sales of utilities. Once consolidation occurs, this permanent fund would belong to the borough as a whole. Therefore, its revenues would not be available to cover any expenses of the former City service area(s). Again, the effect is to increase taxes/fees imposed within current city boundaries. I also see this as a "taking" without compensation.
8. The employees of the City and of the borough belong to several different unions. I believe there are two borough and five city unions involved. In some instances, salaries negotiated for comparable positions are different between the two governments. Given the reality of union negotiations, or possibly of State law on the subject, the consequence upon consolidation would be the payment of the higher salary to all comparable positions. This increases overall costs to taxpayers.
9. As with salaries in #8, the benefits of the employees of City and Borough differ. In particular the health benefits of City employees are extremely expensive, while those of the borough have been negotiated to a shared, lower cost. As union contract law requires retention of contracted benefits, after consolidation there would exist a condition of a two-tier benefit structure for employees. Again probable re-negotiation after some months or years would be towards the direction of the higher-cost benefits, and again, this increases overall costs to taxpayers.
10. Currently city voters elect a Mayor and 6 council members, and have a vote for borough Mayor and 11 Assembly members. After consolidation, city voters would continue to have a vote for Mayor and 11 Assembly members. However, with a population slightly under 30,000 in a borough of over 85,000, there is no assurance that

11. Garbage and the collection and disposal of garbage are radically different between City and borough. The logical solution is to privatize service within the City and let the private company handle collection. The conflict between city businesses and use of outside-city dumpsters will continue, and take a different turn. This may lead, ultimately, to borough-wide privatization. While the resultant service may be better, the independent-minded non-city residents will not take kindly to this, many will rebel, and the overall consequence could well be a degradation in borough health/safety, owing to illegal garbage disposal.
12. The government created by the founding fathers of this country depended, for the safety of the freedoms of the individual, upon a very careful system of checks and balances. We are taught that this refers to the balance of federal, executive-federal, legislative-federal, and judicial. But in fact, the founding fathers and the reality of over 200 years of history, are that the balance is far more complex. There is the above check/balance, within and amongst federal. There is a tension check and balance amongst and between States and Federal, and States with States. There is a tension check and balance

amongst and between individual States and their local governments of Cities, Counties/Boroughs and School Boards. And finally, there is a tension check and balance amongst and between local governments and the federal entities.

One simple proof for this is the existence of national organizations such as the National Association of Counties, created to enable local county/borough governments to interact with the federal government: where "interact" means both to influence in positive and proactive directions, and also negatively, in protective posture. Similar organizations exist for cities, city mayors, and school boards/school districts.

A second simple proof lies in the relationship that evolves between Congressional representatives and local government, and the State legislative representatives and local government.

A third simple proof lies in the existence and the efforts of the Alaska Municipal League, which has counterparts in every single State in the union.

In all of these relationships, and the carefully balance system of checks and balances, a diminishment on one side will result in an imbalance. Consolidation results in an imbalance.

With consolidation, the dual voices of Fairbanks and FNSB would be reduced to the singular voice of FNSB, and as a consequence, the Local would lose, and the State and Federal would gain.

For example, Senator Ted Stevens handles most of the appropriation requests involving Alaska. When considering projects for Anchorage, he considers a single list, the municipality of Anchorage. Currently when considering projects for Fairbanks, he considers three lists, those of the cities of Fairbanks and North Pole, and that of the FNSB.

Consolidation would result in consolidation into two lists, those of FNSB and those of North Pole. This simplifies the problem for Senator Stevens, but reduces, overall the federal appropriations coming to the Interior. This is a real loss for local residents.

13. The City of North Pole would be negatively impacted by consolidation. Currently, they have a clear voice, and can join with the city of Fairbanks to oppose borough proposals. Should consolidation occur, the city of North Pole would stand alone, and given its overall size, would be overwhelmed by the borough. This would reduce the voice

**CC: Presiding Officer Rick Solie
Members of the Borough Assembly
Mayor Hove
Mayor Hayes
City Council of Fairbanks
Mayor Jacobson
City Council of North Pole**